

FY 2007 Annual Program Performance Measures

DEPARTMENT: MICHIGAN DEPARTMENT OF LABOR AND ECONOMIC GROWTH

APPROPRIATION UNIT: Michigan Land Bank Fast Track Authority **PROGRAM:** Administrative Services

TIMELINE: October 1, 2006 through September 30, 2007

PROGRAM MISSION STATEMENT:

To assist with strengthening and revitalizing the economy of Michigan by fostering economic development with the return of state owned tax reverted properties to productive and economically viable uses.

PROGRAM STATEMENT:

To foster economic development, housing, and urban community stabilization by returning state owned tax reverted properties to uses that are in the best interest of the State of Michigan and its citizenry.

FUNDING SOURCE: Proceeds from property sales and 5-year/50% tax recapture from property sales.

LEGAL BASIS: Public Act 258 of 2003 (MCL 124.751 et seq.)

CUSTOMER IDENTIFICATION:

Customers – Governor's Office, Legislature; citizens of Michigan; Department of Labor and Economic Growth and other departments; county and local units of government; quasi-governmental agencies; community and faith-based organizations.

Stakeholders – Governor's Office, Legislature; County Land Banks; community organizations; and citizens of Michigan.

CHALLENGES FACING THE MICHIGAN LAND BANK FAST TRACK AUTHORITY

- Quiet Title (see Goal 3 below)

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PROGRAM GOALS/MAJOR OBJECTIVES:

GOAL 1:

- **Convey 300 or more Authority owned properties to productive use during 2007.**

Highlight Strategy:  Green	<u>Objective 1</u> 1.1 STRATEGY: To respond to public requests for applications for purchase of properties. Comment: See Below
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Staff has attempted to respond to applications for purchase of properties within 60-90 days. However, it must be noted that during the fiscal year, the Authority's Executive Director resigned and the position is currently being filled temporarily by a member of the staff. Effectively, the Authority had only one analyst who was left to process the majority of applications during 6 of the 12 months out of the year.

As of fiscal year ending 2007, the Authority had conveyed 302 parcels, with 211 pending sales, and 139 parcels invoiced for final sale. All total, approximately 4 properties were conveyed to local units of government, 33 to non-profit organizations, 121 to individuals, and 17 to for-profit entities. A disposition for public use consisted of one parcel that was conveyed to the City of Adrian for assembly with adjacent property to develop a local bus dispatch-transfer-storage facility. The Authority also conveyed parcels at no cost to non-profit organizations such as Habitat for Humanity Detroit (6); Northwest Detroit Neighborhood Development (7); Greater Corktown Development Corporation (4); and Creekside Community Development (1) for the development of affordable housing.

For fiscal year ending 2007, the Authority generated total revenues of \$542,041.56.


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GOAL 2

- **Implement the internal application of the Authority's Database and Land Management Information System by June 2007.**

Highlight Strategy:  Amber	<u>Objective 1</u> 2.1 STRATEGY: To work with the Department of Information Technology to establish a user-friendly Land Management Information database system by July 2007. Comment: See Below
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The Department of Information Technology (DIT) has created a user-friendly external database for the Authority's inventory of properties for disposition. Phase 1 was completed in August 2006. The database is able to give comprehensive, and easy to access information to customers and key stakeholders who wish to acquire state owned tax reverted properties.

Phase 2 of the database, which consists of the internal editor application for staff use, is in the process of being completed. Once the completed version of the editor/internal application of the Database/Land Management Information System is received from the DIT, the system will allow staff to fully populate the database with pertinent property information and keep track of the Authority's inventory, which should assist operational efficiencies. The DIT is in the process of compiling and finalizing the functionality testing to complete all fixes and deliver the final product.


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GOAL 3

- **Process 250 quiet title actions by the end of FY 2007.**

Highlight Strategy:  Red	<u>Objective 1</u> 3.1 STRATEGY: To identify and work to process 250 parcels through the quiet title process. We will work with 1) Title Check, LLC, who will perform the necessary title research; and 2) Office of the Attorney General who will initiate litigation under MCL Sec. 124.759. Comment: See Below
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In FY 2007, the Authority began the process of identifying and packaging 250 tax reverted parcels for quiet title actions. The entire process has been placed on hold because of the fiscal situation of the state and a moratorium placed on spending. In addition, parcels should be identified that will make the quiet title process cost effective. The Authority, based upon a particular project's requirements, should initiate quiet title actions on a selective basis. Bundling of properties should take place where possible. Presently, the quiet title process does not guarantee a parcel to be eligible for title insurance. The issue of title insurance for tax reverted properties is one that may require changes in law and agreement by the title insurers community.


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GOAL 4

- **Work to implement a Demolition Program by July 2007.**

Highlight Strategy:  Green	<u>Objective 1</u> 4.1 STRATEGY: To collaborate effort with the Michigan State Housing Development Authority and work with local units of government in identifying buildings can be targeted for expedited sale or accelerated demolition by a given local unit of government Comment: See Below
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In FY 2007, the Authority began working in a collaborative effort with the Michigan State Housing Development Authority through its Cities of Promise Demolition and Blight Elimination Program. The program targets the cities of Detroit, Hamtramck, Highland Park, Flint, Saginaw, Kalamazoo, Muskegon Heights and Benton Harbor for extended demolition of abandoned and dangerous properties, especially those along school routes. The Authority will work with local units of government in identifying buildings that are on their demolition lists so that the properties can be targeted for expedited sale or in the case of public safety issues, can be authorized for accelerated demolition by a given local unit of government. Success of the program will be measured based upon 1) establishing working relationships with the local units of government where Authority properties are located, 2) identifying properties needing to be demolished, and 3) allowing demolition or work to expedite sales of properties which are of major concern. Properties belonging to the Authority will receive first priority if demolition is necessary.


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GOAL 5


- **Work to implement a Property Maintenance Program by the end of FY 2007.**

Highlight Strategy:  Amber	<u>Objective 1</u> 5.1 STRATEGY: To implement a program by contacting local community and faith-based organizations to maintain properties within their immediate proximities. Comment: See Below
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The Authority will work to implement this program by contacting local community and faith-based organizations within immediate proximity of properties in our inventory for the purpose of establishing agreements to maintain Authority properties. Measurement of success for this objective will be the establishment of a standard agreement, with the goal of having organizations work with the Authority in this area.

GOAL 6

- **Work with the Authority Board on the creation of a five-year strategic plan.**

Highlight Strategy:  Amber	<u>Objective 1</u> 6.1 STRATEGY: To work with the Authority Board of Directors and staff will work to create a five-year strategic plan and implement its revised policies and procedures Comment: See Below
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During FY2007, the Authority revised its policies and procedures and has determined the scope of services to be provided to the general public. The Guidelines: Policies and Procedures for Property Acquisition and Disposition were published with the Michigan Register on September 1, 2007. The Authority will continue its progress towards the completion of the five-year strategic plan.


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GOAL 7

- Enhance employee inclusion in Authority programs during FY 2007.

Highlight Strategy:  Green	<u>Objective 1</u> 7.1 STRATEGY: To create a formal program Using information provided by the DLEG Office of Organizational Development (OOD). Comment: See Below
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- a. In addition to current practices of inclusion, create a formal program that will ensure employee inclusion.
- b. Using information provided by the DLEG Office of Organizational Development (OOD), the Authority will conduct an employee survey to determine employee concerns regarding inclusion in the workplace.
- c. Recommendations for enhanced inclusion opportunities will be implemented based upon the results of the survey.

During FY2007, a program for employee inclusion was implemented. The program allows for both individual and group participation in events and activities that encourage inclusion on major projects of the Authority.


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GOAL 8

- **Create an employee recognition program during FY 2007.**

Highlight Strategy:  Green	<u>Objective 1</u> 8.1 STRATEGY: To create a formal program Using information provided by the DLEG Office of Organizational Development (OOD). Comment: See Below
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- To create a program that will ensure employee recognition.
- Using information provided by the DLEG Office of Organizational Development (OOD), the Authority will conduct an employee survey to determine employee concerns regarding recognition in the workplace. The survey will be developed and delivered to employees.
- Positive recommendations for enhanced recognition opportunities will be implemented.

During FY2007, a program for employee recognition was implemented. The program allows for executive commendation for individual meritorious activity. There is also a program where the executive spends personal time with employees at an employee luncheon or other staff identified functions. The Authority is also looking into the development of an “employee of the month” award that will be given to the employee who has best helped the Authority to achieve its mission.

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FAST FACTS:

In FY 2006-7, the Michigan Land Bank Fast Track Authority:

- The MLBFTA has established and implemented Policies and Procedures adopted by the Michigan Land Bank Fast Track Authority (MLBFTA) Board. The “Guidelines: Policies and Procedures for Property Acquisition and Disposition” were published with the Michigan Register on September 1, 2007.
- The MLBFTA conveyed 161 parcels in Fiscal Year 2007 for a total of \$524,764.56 in revenues. An additional 124 parcels were reconveyed back to prior owners due to the property being taken in error because of improper noticing or other miscommunications. All conveyed parcels have been returned to the tax rolls, with the exception of a handful of parcels that were purchased by tax-exempt applicants.
- The MLBFTA continued to work with the Michigan State Housing Development Authority (MSHDA) to convey properties to non-profit organizations at no cost for the purposes of developing affordable housing. The program is entitled, “MLBFTA/MSHDA Non-Profit Housing Property Development Program”. A total of 18 parcels were conveyed through the joint program in Fiscal Year 2007.
- The MLBFTA created and submitted to the Governor and Members of the Legislature its first Biannual Report covering Fiscal Years 2005 and 2006. The Biannual Report is posted on the MLBFTA website, www.michigan.gov/landbank, for public viewing.
- The MLBFTA website, www.michigan.gov/landbank, has been updated to include the following:
 - Board meeting schedule with updated agendas and approved board minutes
 - Contacts for current Michigan County Land Banks
 - Tax Recapture FAQ’s for Land Banks
 - General Tax Reversion Information

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- The Michigan Center for Geographic Information and the Michigan Department of Information Technology has showcased the final phase of the internal application that will be delivered to the MLBFTA pending beta testing.
- During Fiscal Year 2007 Muskegon County has been approved to create and operate a local county land bank authority. Since the establishment of the state land bank authority a total of eight counties have been approved to create and operate a local county land bank authority.
- The MLBFTA staff added an Executive Secretary in May 2007.
- The DLEG Office of Media and Technology finished production for the MLBFTA's public service announcements (PSA's), for television and radio, designed to make the public aware of the MLBFTA, its website, and availability of properties. The PSA's were played or will be played on 116 radio stations and 20 television stations. Other media outlets were also used. A final report was received and presented to the Board.
- The MLBFTA has partnered with the Governor's Cities of Promise Initiatives and the MSHDA Demolition and Blight Elimination Program to assist in the demolition of tax reverted properties.
- The MLBFTA has partnered with the City of Detroit and MSHDA regarding strategic redevelopment of six investment areas in the Next Detroit Program.
- The MLBFTA has partnered with MSHDA and the Michigan Department of Corrections to offer properties for the Michigan Prisoner Release Initiative (MPRI) Project.

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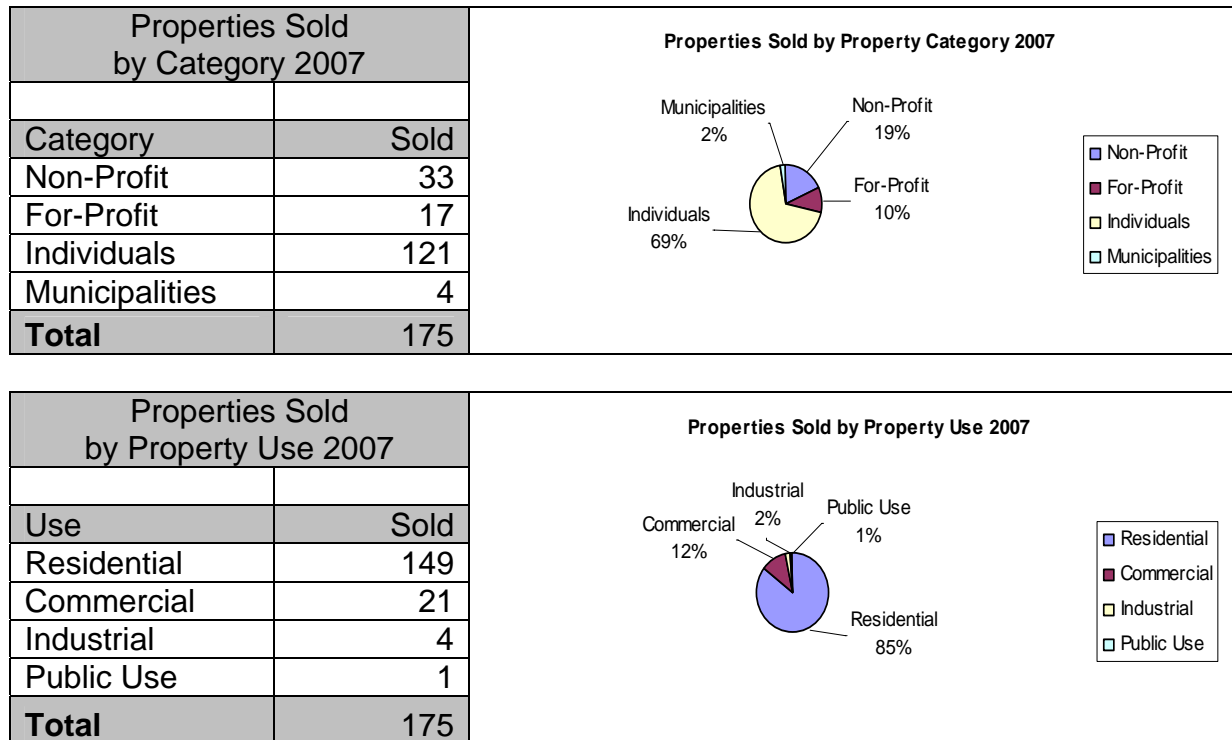
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PROPERTY CONVEYANCE BY CATEGORY & USE REPORT FISCAL YEARS 2007



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Property Sold By County – FY 2005-2006-2007

County	2005	2006	2007
Alpena	1		
Arenac		3	2
Berrien			1
Calhoun			1
Genesee		1	1
Gogebic		3	
Hillsdale		1	1
Houghton		1	
Ingham		2	2
Iosco			1
Lenawee			1
Livingston		1	
Midland			1
Monroe	1	7	1
Muskegon		1	
Newaygo		1	
Oceana		2	2
Ogemaw			2
Ontonagon			1
Osceola			1
Roscommon		4	
Saginaw		14	
St. Clair		5	3
Shiawassee			1
Wayne	364	158	153
GRAND TOTAL	366	204	175